

## 10 Best-Selling Master-Planned Communities

RCLCO's annual list highlights the building blocks of housing's new normal.



Credit: Courtesy Del Webb

Anthem at Merrill Ranch  
Pulte Homes & The Communities of Del Webb  
Phoenix, AZ  
2009 net sales: 294

Anthem at Merrill Ranch is actually a side-by-side development venture offering fun for the whole family. Anthem Parkside is all about young families, offering a 43,000-square-foot community center and an on-site K-8 school, with 31 single and two-story home plans ranging from 1,483 to 4,071 square feet. Its sister community, Sun City Anthem, is an age-restricted active adult enclave of smaller homes from 1,099 to 2,849 square feet. Serving up what some retirees consider the ultimate in multigenerational bliss, The Del Webb neighborhoods allow grandparents to live within visiting distance of their grandkids, while still having space to call their own. Some residents love it so much that they frequently serve as Anthem "sales ambassadors," hosting tours, dinners, and golf outings for prospective buyers. The community offers a hospitality suite for visitors who want to stay overnight and give the neighborhood a test-drive.

# 10 Best-Selling Master-Planned Communities

RCLCO's annual list highlights the building blocks of housing's new normal.

By: [Jenny Sullivan](#)

RCLCO's annual list highlights the building blocks of housing's new normal.

Let there be no doubt that master-planned communities took a direct hit in the downturn.

Even in the nation's best-selling communities, sales plummeted from a collective 20,000-plus homes at the peak in 2005 to fewer than 5,000 in 2009, according to the Washington, D.C.-based real estate advisory firm [RCLCO](#), which tracks master-planned communities' performance on a year-over-year basis through an annual survey of more than 400 developments. Total net sales continued to fall from 2008 to 2009 even in the healthiest communities, many of which saw their sales volume decline by between 16% and 32%, depending on the development.

But performance is relative, and success is measured a bit differently in these lean times. Cinco Ranch, the Newland Communities development outside of Houston, was this year's top performer with 887 total net home sales in 2009, followed by The Woodlands, also in Houston, which came in second with 633 net sales for the year.

In fact, four Houston communities made this year's top 10--a reflection, in part, that the oil town's economy has fared better than most in the downturn. "All four Houston communities also happen to be located in what are now considered infill locations," notes Gadi Kaufmann, CEO and managing director at RCLCO. "Three are along the energy corridor to the south and west, and The Woodlands is its own employment corridor. There is a trend reemerging of people wanting to move back closer to jobs and services, rather than choosing exurban bedroom communities that are devoid of these elements."

Equity is another key factor, he adds. "In a down market, there's a flight to quality. As buyers have become concerned with the health of the market, there's a sense that master-planned communities may be a better investment."

All of the front-runners on this year's list are in Sun Belt states. Outside of Texas, other leaders include two communities in Las Vegas, two in Phoenix, one in Salt Lake City, and one Tucson.

Absorption may not be what it once was, but the master-planned communities (MPCs) that are holding steady do share some other common attributes, according to Kaufmann. These developments tend to be established, well-known community brands offering a broad range of housing types, including smaller homes on smaller lots to meet current economic conditions. And they are apt to include a handful of lifestyle anchors that buyers consider vital, such as good schools, parks, walking trails, community pools, town centers, playgrounds, sports, and other organized activities. While no community on this year's list owes its success to a single overriding factor, these top-selling developments do tend to share several of these attributes.

This year's survey also indicated some good news about the long-hoped-for housing recovery. Roughly 60% of the RCLCO survey's respondents expected home sales to increase moderately in 2010, and 70% anticipated that prices would rebound and begin to creep back up by year's end.

What's the long-term prognosis for MPCs? "It may take years before we see a lot of new entries into the marketplace because the economics are not going to be conducive to starting a new community until existing inventory is sold and prices rise," Kaufmann says. And when new plans finally hit the starting block, they are unlikely to be developed in the same way.

"I think the size of projects will go down," he predicts. "You won't be seeing communities of 20,000 to 40,000 acres, or even 20,000 to 40,000 units. Developers will be starting with smaller increments in five-year phases. They will want to do things in bite-size portions rather than making a huge investment and roads and sewers with no guarantee that they will end up with the rooftops to support it. We will see downsizing and more incremental types of development models."

*Jenny Sullivan is a senior editor covering architecture, design, and community planning for BUILDER*